

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

673B0537

HOUSE BILL NO. 1166

Introduced by: Representatives Cutler, Jorgensen, Peterson (Bill), and Schaunaman and
Senators Whiting, Flowers, Munson (David), and Shoener

1 FOR AN ACT ENTITLED, An Act to revise the prohibition against certain alcoholic beverage
2 manufacturers engaging in retail business.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 35-2 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The provisions of § 35-2-6.4 do not prohibit any person, corporation, or other entity which
7 owns, in whole or in part, directly or indirectly, or has any interest whatsoever in, a manufacturer
8 from owning in whole or in part, directly or indirectly, or having any interest whatsoever in, a
9 South Dakota retailer whose retail license is issued in conjunction with and as part of the
10 operations of a hotel or motel if the following conditions are met:

11 (1) Such hotel or motel has at least one hundred sleeping rooms with respect to which the
12 relationship between the occupants thereof and the owner or operator of the
13 establishment is that of innkeeper and guest;

14 (2) No more than twenty percent of the total gross revenues of such hotel or motel are
15 derived from the sale of alcoholic beverages by such hotel or motel;

- 1 (3) Such hotel's or motel's total purchases of alcoholic beverage products produced and
2 sold by such manufacturer to South Dakota wholesale licensees so not to exceed ten
3 percent of such hotel's or motel's total purchases of all alcoholic beverage products
4 in any calendar year;
- 5 (4) Neither such manufacturer nor such retail licensee directly or indirectly owns or has
6 any interest in a South Dakota wholesale licensee; and
- 7 (5) Such retail licensee purchases alcoholic beverages only from South Dakota wholesale
8 licensees.